

## FUNDS - GENERAL POLICY

Effective date: December 4, 2018  
Revised May 25, 2021

### INVESTMENT OBJECTIVE

This funds' general investment policy applies to all Professionals' Financial portfolios (hereinafter called "Funds").

### VOTING RIGHTS

Professionals' Financial has adopted a PRI (principles for responsible investment) proxy voting policy in respect of the securities portfolios for the funds managed by the Company and for proxies received from Private Management clients; the policy takes into account environmental, social and governance (ESG) factors in assessing the risks of an investment portfolio. Professionals' Financial has delegated the exercise of the voting rights for its portfolios, according to our policy, to the specialized firm ISS.

This policy reflects the values of Professionals' Financial, which believes that all companies have a duty to act responsibly in terms of respect for human rights, respect for labour rights, and protection of the environment. In addition, the policy complies with the UN Principles for Responsible Investment with respect to voting rights policies.

With regard to external mandates, the Company has delegated the exercise of the voting rights in respect of the securities and assets of the Funds to its sub-managers. However, Professionals' Financial reserves the right to give special instructions on how to vote on a proposal presented to the shareholders, provided that the securities are held in a segregated account at the Company's trustee.

### PROHIBITION AGAINST INVESTING IN CERTAIN INDUSTRIES

Guided by the principles of responsible investment, Professionals' Financial has adopted a policy to prohibit investing in certain industries including manufacturers of tobacco products, manufacturers of cannabis products, and retailers whose main activity is the sale of cannabis products, as well as weapons manufacturers for civilian use and retailers whose main activity is the sale of weapons (accounting for 10% or more of sales). These are strategic choices that are in line with the values of our clients, our shareholders and the Financial. These exclusions apply only when we formulate the investment policy of a fund. In the case of ETFs and mutual funds for which we do not establish the investment policy, these exclusions may not apply.

### DERIVATIVES

Derivatives such as futures contracts, forward contracts, options, or securities swaps, stock index swaps, interest rate swaps or currency swaps may be used as follows:

- ◆ To manage asset allocation;
- ◆ To manage the duration of bond portfolios;
- ◆ To manage exposure to a particular asset class, including to increase cash synthetically;
- ◆ To manage currency risk;
- ◆ To preserve capital;
- ◆ To replicate a particular asset class or index.

Use of these products must be in compliance with the applicable regulatory framework. The sale of covered calls is also permitted.

## FUNDS - GENERAL POLICY

### SHORT SELLING

Short selling is permitted for hedging purposes. It is also permitted in order to put in place arbitrage strategies between specific securities. Outright short selling is, however, not permitted.

### PROSPECTUS FUNDS

The use of prospectus mutual funds, including those of Professionals' Financial, is permitted according to the parameters prescribed by the AMF, currently limited to 10% of the fair market value of each Fund. However, this 10% limit does not apply to investing in a fund of funds. External prospectus mutual funds however require the prior approval of the Investment Committee following a recommendation by the Products Committee and by the Management. The list of external funds is regularly submitted to the Investment Committee for review.

### EXCHANGE-TRADED FUNDS

The use of exchange-traded funds (ETFs) is permitted in order to replicate indexes, sectors, industries or styles (value, growth, capitalization, etc.). All ETFs (including smart beta) may be used, except the following securities which are prohibited: leveraged ETFs and inverse ETFs. Actively managed ETFs can be used insofar as they have been assessed by the Investment Committee, in the same manner as a selection of (active) external managers. Only "index participation units" issued by mutual funds may be purchased by the manager. The term "index participation unit" means a security traded on a stock exchange in Canada or the United States and issued by an issuer the only purpose of which is to (a) hold the securities that are included in a specified widely quoted market index in substantially the same proportion as those securities are reflected in that index, or (b) invest in a manner that causes the issuer to replicate the performance of that index.

### CODE OF ETHICS

The manager must comply with both the Code of Ethics of Professionals' Financial and that of the Chartered Financial Analyst Institute. The external sub-advisors must comply with the Code of Ethics of the Chartered Financial Analyst Institute.